

## SCHEDULE LD — CONSOLIDATED LOAN DATA

Throughout these instructions, **you** and **your** refers to the reporting savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.

### GENERAL INSTRUCTIONS

You should report on this schedule only information about your loans and those of your consolidated subsidiaries. Do not include information of your holding company, affiliates, or unconsolidated subsidiaries.

### HIGH LOAN-TO-VALUE LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES, WITHOUT PMI OR GOVERNMENT GUARANTEE

Report data on 1-4 family real estate loans that meet both of the following conditions:

- The loan-to-value equals or exceeds 90 percent.
- There is no private mortgage insurance (PMI) or government guarantee, such as FHA or VA.

For reporting 1-4 family, high loan-to-value loans on this schedule, include home equity loans and junior liens that you classify as consumer loans on Schedule SC and small business loans secured by single-family residences classified as commercial loans on Schedule SC, as well as loans reported as mortgages. The only 1-4 family real estate loans that you can exclude are those that the borrower has otherwise substantially secured and where you take the mortgage as an abundance of caution (for example secured auto loans), and where you have not made the terms more favorable than they would have been in the absence of the real estate lien. Report all loans at recorded investment less specific valuation allowances. See the instructions for mortgage loans in Schedule SC for a definition of **recorded investment**. Note that the amount you report as the loan value may differ from the amount used in the calculation of LTV as explained below.

You may exclude from this schedule loans that you intend to sell within 90 days from origination, without recourse, to a financially responsible third party. However, you must include any uninsured, high LTV loans originated for sale that are more than 90 days old.

Include both permanent and construction loans secured by 1-4 family dwellings. Include conventional construction loans that have been approved for PMI that will be effective when the loan converts to a permanent loan, but where the construction loan is not yet covered by PMI.

In determining the LTV ratio, you must combine all loans secured by the same property regardless of whether you classify the loan as a mortgage or consumer loan in Schedule SC. **If you hold a junior lien, you must include all liens senior to your lien in the LTV calculation, even if you do not hold all the senior liens.**

In calculating LTV, use the recorded investment of the loan as the numerator. **Do not deduct specific valuation allowances.** If you have not yet disbursed the entire loan and you are legally bound to fund an undisbursed commitment, for the numerator use the recorded investment plus the undisbursed commitment, including letters of credit.

Use the borrower's purchase price of the real estate or appraised value at origination, whichever is less, for the denominator in the LTV calculation. Subsequent to origination if the real estate market has changed significantly and the value of the real estate has increased, you may use a current market valuation. You must support this valuation by a current appraisal or evaluation performed in accordance with 12 CFR 564. However, if the value of the real estate has decreased, you may use the appraised value at origination; we do not require that you use a lower current appraisal unless you have refinanced the loan or disbursed additional funds. When the borrower has paid down his loan below 90% LTV, you no longer have to report the loan in Schedule LD.

If you make an adjustable rate mortgage loan where the loan contract permits negative amortization when interest rates rise, such that the loan could exceed 90 percent LTV, you do not need to report the loan as a high LTV loan until the balance of the loan reaches 90 percent of the value of the property. See definitions in 12 CFR § 560.101.

**Example 1:** You make a loan with a principal balance of \$90,000 on the purchase of a house, with deferred fees net of origination costs of \$2,000. At origination the appraised value is \$100,000. There is no PMI on this loan. The recorded investment at origination is \$88,000 (\$90,000 less \$2,000). Therefore, at origination the LTV equals 88 percent and the loan is not reported as a high LTV loan in Schedule LD.

**Example 2:** You purchase a loan with a principal balance of \$88,000 at a premium of \$3,000. The originator appraised the property at \$100,000. Your recorded investment is \$91,000 (\$88,000 plus \$3,000), and thus the LTV is 91 percent. There is no PMI on this loan. You must include your recorded investment in this loan in the 90 up to 100 LTV category.

**Example 3:** You make a legally binding commitment of \$9 million on a construction loan on a project of single-family homes, with a projected value at completion of \$10 million. Therefore, the LTV equals 90 percent. There is no PMI on this loan. At the reporting date, you have disbursed \$3 million on this loan; this is the recorded investment. You must report the \$3 million in the 90 up to 100 LTV category.

**Example 4:** You make an adjustable rate mortgage loan with a principal balance of \$85 thousand on the purchase of a house for \$100 thousand. There is no PMI on this loan. The loan document guarantees that the monthly payment will not exceed \$750. The LTV at origination is 85 percent, and you, therefore, do not report the loan as a high LTV loan. Interest rates rise to the point that, if you fully amortized the loan, the loan payment would exceed \$750. Each month you add the amount of the loan amortization in excess of \$750 to the recorded investment of the loan. In time, the recorded investment of the loan reaches 90 percent. At that time, you must include the recorded investment of the loan in the 90 up to 100 LTV category.

**Balances at Quarter-end:**

Report the recorded investment less specific valuation allowances of all mortgages secured by 1-4 family residential properties where the loan-to-value falls in the range indicated and that are not covered by PMI or government guarantee.

If you hold junior and senior liens on the same property and the senior lien is covered by PMI but the junior lien is a home equity loan that is not covered by PMI or government guarantee, report the recorded investment of only the home equity loan. However, for purposes of calculating LTV, you include the recorded investments of the first mortgage and the home equity loan and the undisbursed commitment of the home equity loan as the numerator. If the first mortgage has an LTV less than 80% and therefore has no PMI, you must combine it with junior liens on the same property on LD110 and LD120.

**LD110: 90 up to 100 LTV**

**LD120: 100 or Greater LTV**

**Past Due and Nonaccrual Balances:**

Report the recorded investment less specific valuation allowances of all past due and nonaccrual mortgages secured by 1-4 family residential properties, where the loan-to-value falls in the range indicated and that are not covered by PMI or government guarantee. You should use the same definitions of past due and nonaccrual that we provide in Schedule PD. If you have made multiple loans on the same property, report only the loans that are past due.

**Past Due and Still Accruing:****30 - 89 Days**

**LD210: 90 up to 100 LTV**

**LD220: 100 and Greater LTV**

**90 Days or More**

**LD230: 90 up to 100 LTV**

**LD240: 100 and Greater LTV**

## Nonaccrual

**LD250: 90 up to 100 LTV**

**LD260: 100 and Greater LTV**

## Charge-offs and Recoveries:

### Net Charge-offs (including Specific Valuation Allowance Provisions & Transfers from General to Specific Allowances):

We define **net charge-offs** as charge-offs from general valuation allowances, as reported on VA155, less recoveries, as reported on VA135, plus specific valuation allowance provisions, as reported on VA118, and transfers from general allowances, as reported VA128. This is also referred to as **adjusted net charge-offs**. You also report adjusted net charge-offs on Schedule VA in the column beginning with VA39. Include adjusted net charge-offs of all balances reportable on LD110 and LD 120. Include all charge-offs, recoveries and specific valuation allowance activity on high loan-to-value 1-4 family mortgages even if the acquisition and the charge-off took place in the same quarter. Report charge-offs and recoveries if the loan was reported on Schedule LD either in the prior or current quarter.

**LD310: 90 up to 100 LTV**

**LD320: 100 and Greater LTV**

## Purchases

Report the cost of all high loan-to-value loans secured by 1-4 family residential properties purchased during the quarter from other entities. You should also report these purchases in Schedule CF.

**LD410: 90 up to 100 LTV**

**LD420: 100 and Greater LTV**

## Originations

Report the amount disbursed for all high loan-to-value loans secured by 1-4 family residential properties during the quarter. Note that you report all amounts net of loans-in-process (LIP), and report additional disbursements in the quarter in which you make them. Use the definition of disbursements found in the instructions as Schedule CF for the definition of originations in this schedule.

**LD430: 90 up to 100 LTV**

**LD440: 100 and Greater LTV**

### **Sales**

Report all high loan-to-value loans secured by 1-4 family residential properties sold to other entities or otherwise disposed of during the quarter. You should also report these sales in Schedule CF.

**LD450: 90 up to 100 LTV**

**LD460: 100 and Greater LTV**